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Volume 14

Merry Christmas

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
NOVEMBER 1969

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - NOVEMBER 1969

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants in the 0-65 mile zone is \$6.01. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.0 cents for each one-tenth of one percent above or below 3.5% test.

In November 1969, 76.1% of producer milk received by pool plants was priced in Class I at \$6.47 per cwt. and 23.9% was priced in Class II at \$4.62 per cwt. The November butterfat differential for Class I was 8.2 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during November 1969 was 30,466,446 pounds which is an increase of 3,903,838 pounds or 14.7% compared with November 1968. The November daily average deliveries from 755 producers was 1,345 pounds. This compares to 721 farms delivering a daily average of 1,228 pounds per day during November 1968.

CLASS I PRICE HEARING

The U. S. Department of Agriculture has announced that a proposed economic formula for pricing Class I milk to dairy farmers under all Federal milk marketing orders will be considered at a public hearing scheduled January 20, 1970 at 10 a.m., in the Colony Inn, 7730 Bon Homme Avenue, Clayton, Missouri (near St. Louis). The hearing was requested by the National Milk Producers Federation on behalf of its member cooperative associations, which represent the majority of dairy farmers marketing milk under Federal milk orders.

The proposed amendments would provide for identical Class I price changes to be made simultaneously in all Federal order markets. Class I prices to farmers in Federal milk orders now provide for changes reflecting a single price series, prices paid for manufacturing grade milk in Minnesota and Wisconsin. Alternative proposals from the Milk Industry Foundation, representing the majority of milk distributors regulated under Federal orders will also be considered at this hearing. After considering the hearing evidence, USDA will decide whether to recommend amending the orders in any of the ways proposed.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Nov. '69 over Nov. '68	Nov. 1969 19	Oct. 1969 19	Nov. 1968 17
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 14.7	1,015,548	1,033,743	885,420
Other Source	- 65.9	30,002	31,661	88,106
Other Federal Orders	- 35.3	159,349	88,983	246,104
TOTAL MILK RECEIPTS	- 1.2	1,204,899	1,154,387	1,219,630
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 24.9	419,368	442,569	558,687
Skim - Regular	- 25.7	19,686	20,494	26,508
Skim - 2% Milk	+ 27.7	88,961	89,739	69,655
Buttermilk	- 27.9	47,821	48,143	66,352
Flavored Milk and Drink	- 28.6	17,628	19,225	24,703
Creams (Sweet and Sour)	- 25.7	3,171	2,932	4,266
Sub-Total - Pkg. Products (Pool Plants)	- 20.5	596,635	623,102	750,171
Other (Shrinkage, Inventory, etc.)		3,975	6,928	(6,655)
Sales to Non-Pool Plants		199,088	195,677	167,128
In-Area Sales by Non-Pool Plants		41,982	44,182	28,079
TOTAL CLASS I MILK	- 10.3	841,680	869,889	938,723
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 0.5	41,834	39,312	41,632
Cottage Cheese	- 21.0	33,271	35,125	42,134
Powdered and Condensed Milk		8,123	-0-	11,619
Livestock Feed and Authorized Dumped		5,094	5,014	9,356
Sub-Total - Used to Produce	- 15.7	88,322	79,451	104,741
Shrinkage Class II		14,810	15,053	17,976
Other (Inventory Variation, etc.)		36,454	(3,818)	16,433
Bulk Sales to Non-Pool Plants		223,633	193,812	141,757
TOTAL CLASS II MILK	+ 29.3	363,219	284,498	280,907
Class I Pkg. Lbs. in Area - Pool Plants	- 5.7	468,189	488,100	496,535
Class I Pkg. Lbs. Out of Area - Pool Plants	- 49.4	128,446	135,002	253,636
Class I Pkg. Lbs. in Area - Non-Pool Plants	+ 49.5	41,982	44,182	28,079
% Producer Milk of Gross Class I		120.7	118.8	94.3
% Producer Milk Priced in Class I		76.1	77.0	82.1

FILLED MILK PROVISIONS ADDED TO FEDERAL MILK ORDERS

The U. S. Department of Agriculture has amended most Federal milk marketing orders as of January 1, 1970 to provide specific ways for regulating the dairy ingredients of filled milk. The amended orders are based on a public hearing in February, April and May 1968, in Memphis, Tennessee. USDA's Consumer and Marketing Service officials said the action was taken after obtaining the required approval of dairy farmers supplying each order area. This was determined by polling their cooperative associations.

Filled milk will be designated as Class I (fluid milk) under Federal milk orders. The amended orders define filled milk as a product combining skim milk and non-milk fat and resembling any other fluid milk product. Only products with less than six percent nonmilk fat are included. Filled milk will be included in Class I along with other milk for fluid use. This will continue the current practice in most markets of maintaining a Class I classification for all producer milk in fluid disposition.

COMPUTATION OF PRODUCER UNIFORM PRICE

NOVEMBER 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		25,250,399	3.455		
Less Other Source		2,056,478	3.051		
Producer Milk Class I	76.1	23,193,921	3.490466	\$6.461950	\$1,498,779.58 ^{1/}
Gross Class II		10,896,568	5.026		
Less Other Source		3,624,043	3.522		
Producer Milk Class II	23.9	7,272,525	5.775106	6.394583	465,047.65
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	30,466,446	4.035824		\$1,963,827.23
Add Fractional Adjustment					.09
Add Value of Overage and Location Adj.					158.08
Add Value of Inventory Reclassified					75.23
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					12,454.70
TOTAL VALUE AT TEST		30,466,446	4.035824	\$6.487515	\$1,976,515.33
Less Test over 3.5% @ 8.0¢ per point		30,466,446	0.535824	0.428659	130,597.16
TOTAL UTILIZATION VALUE AT 3.5%		30,466,446	3.5	\$6.058856	\$1,845,918.17
Less Producer Settlement Fund Reserve		30,466,446		.048856	14,884.69
PRODUCER UNIFORM PRICE		30,466,446	3.5	\$6.01	\$1,831,033.48

^{1/} Includes handler location adjustment.

NOVEMBER 1969 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)
 (0-65 MILE ZONE)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.61	3.6	\$6.09	4.2	\$6.57	4.8	\$7.05	5.4	\$7.53
3.05	5.65	3.65	6.13	4.25	6.61	4.85	7.09	5.45	7.57
3.1	5.69	3.7	6.17	4.3	6.65	4.9	7.13	5.5	7.61
3.15	5.73	3.75	6.21	4.35	6.69	4.95	7.17	5.55	7.65
3.2	5.77	3.8	6.25	4.4	6.73	5.0	7.21	5.6	7.69
3.25	5.81	3.85	6.29	4.45	6.77	5.05	7.25	5.65	7.73
3.3	5.85	3.9	6.33	4.5	6.81	5.1	7.29	5.7	7.77
3.35	5.89	3.95	6.37	4.55	6.85	5.15	7.33	5.75	7.81
3.4	5.93	4.0	6.41	4.6	6.89	5.2	7.37	5.8	7.85
3.45	5.97	4.05	6.45	4.65	6.93	5.25	7.41	5.85	7.89
3.5	6.01	4.1	6.49	4.7	6.97	5.3	7.45	5.9	7.93
3.55	6.05	4.15	6.53	4.75	7.01	5.35	7.49	5.95	7.97

NEW ORDER APPROVED FOR OREGON-WASHINGTON AREA

Producers voting in a referendum have approved a new Federal milk marketing order to regulate the handling of milk in the Oregon-Washington marketing area. The new order will become fully effective January 1, 1970. The new order will provide for a market-wide pool. The area to be covered by the order includes 26 Oregon counties and 9 counties and parts of 2 other counties in Washington.

Producers also approved a base-excess producer-payment plan for the new order. This approval was based on a separate referendum of individual dairy farmers held concurrently with the referendum on the order. Approval of at least two-thirds of those voting was required for both referendums.

CHATTANOOGA ORDER MILK PRICES - 3.5% TEST (0-65 MILE ZONE)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '68	\$6.22	-	-	8.0¢	\$6.62	8.1¢	\$4.27	7.7¢
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 ^{2/}	\$6.07	\$4.28	7.8	6.56	8.0	4.28	7.6
Apr.	5.71 ^{2/}	5.96	4.34	8.0	6.56	8.0	4.34	7.8
May	5.84 ^{2/}	6.08	4.37	8.0	6.45	8.1	4.37	7.8
June	5.73 ^{2/}	5.88	4.39	8.0	6.34	8.1	4.39	7.8
July	6.03 ^{2/}	6.20	4.41	8.0	6.50	8.1	4.41	7.8
Aug.	6.10	-	-	8.0	6.74	8.1	4.42	7.8
Sept.	6.29	-	-	8.0	6.85	8.1	4.49	8.0
Oct.	6.18	-	-	8.2	6.70	8.4	4.58	7.8
Nov.	6.01	-	-	8.0	6.47	8.2	4.62	7.8
Dec.	-	-	-	-	6.77	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 ^o Butter	Chi.Area Powder	Minn/Wisc Mfg. Milk	Basic Formula	Class I	Class II		
	¢ Lb.	¢ Lb.	\$-cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
Nov. '68	66.79	22.75	4.27	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	22.73	4.30	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	22.95	4.27	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	22.94	4.23	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	23.04	4.28	4.33	542,370	3.40	215,901	5.50
Apr.	67.59	23.01	4.34	4.33	518,846	3.33	316,364	4.64
May	67.64	23.03	4.37	4.33	579,475	3.31	234,172	4.80
June	67.64	22.98	4.39	4.33	512,990	3.29	216,362	4.88
July	67.64	22.96	4.41	4.33	557,280	3.31	153,706	5.25
Aug.	67.80	23.01	4.42	4.33	559,555	3.30	212,789	4.82
Sept.	69.85	22.95	4.49	4.33	786,310	3.37	240,567	5.13
Oct.	68.23	22.93	4.58	4.33	796,489	3.41	237,254	5.66
Nov.	67.84	23.14	4.62	4.33	773,131	3.49	242,417	5.78

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Nov. '68	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115
Apr.	17	1,166,507	671,623	609	835,210	709,211	3.82	1,371	1,165	206
May	17	1,111,639	748,156	606	813,647	701,721	3.74	1,343	1,158	185
June	17	1,052,351	697,377	605	729,352	658,441	3.76	1,206	1,088	118
July	18	1,033,980	788,712	619	710,986	644,643	3.73	1,149	1,041	108
Aug.	19	1,170,556	761,915	620	772,344	-	3.72	1,246	-	-
Sept.	18	1,145,420	868,129	751	1,026,877	-	3.79	1,367	-	-
Oct.	19	1,154,387	869,889	756	1,033,743	-	3.93	1,367	-	-
Nov.	19	1,204,899	841,680	755	1,015,548	-	4.04	1,345	-	-

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I